weekly economic review
March 01 , 2013

Private and Public Investment (PPI)

Investment intentions point to higher capital spending in 2013

Investment in Alberta is expected to expand in 2013, but at a more moderate rate than in the previous three years according to Statistics Canada's annual survey of investment intentions (the survey was conducted between October 2012 and January 2013). Fueled by higher private sector outlays, the survey points to a $2.4 billion (+2.4%) increase in overall Alberta investment to $100.6 billion in 2013. Intentions suggest almost no change in investment spending in Alberta's oil and gas extraction industry in 2013, with higher oil sands spending offsetting declines in conventional oil and gas investment. For the third straight year, Alberta is expected to account for 25% of total investment in the country. Nationally, investment is expected to edge up by 1.7% to $398.2 billion.

Rigs Drilling

Drilling activity continues to move lower

Rigs drilling in Alberta posted the ninth consecutive year-over-year decrease in February. The average number of rigs drilling in Alberta was 422 in February, down 8.1% from the same month last year.

Average Weekly Earnings

Alberta earnings finish 2012 on a strong note

Alberta average weekly earnings increased $13 in December to $1,094 per week. Earnings were 4.2% higher than the same month last year, the strongest year-over-year increase since July. Nationally, average weekly earnings increased 0.3% to $908 in December and were 2.8% higher than the same month last year.

In 2012, average weekly earnings increased 3.3%, a deceleration from the 4.6% annual pace set in 2010 and 2011. Despite the moderation, Alberta outpaced the national increase of 2.5%. Growth in Alberta's weekly earnings in 2012 was led by increases in mining, oil and gas extraction (5.4%), construction (5.3%), and finance and insurance (5.2%).

Canadian Economy

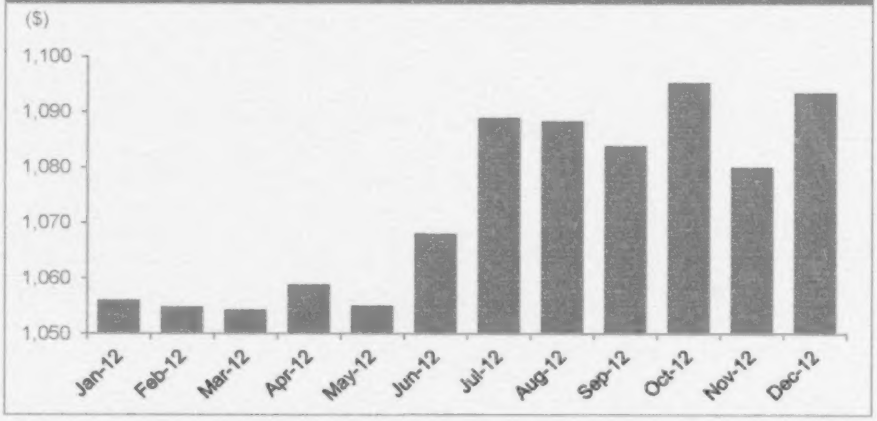
GDP grows at a tepid pace

Canada's real GDP grew by a modest 0.2% in the final quarter of 2012, matching the pace posted in the third quarter. Growth in consumption expenditures, capital investment and exports were almost fully offset by sharp declines in inventory investment, resulting in the weak quarterly increase. For 2012, the Canadian economy posted real GDP growth of 1.8%, a marked slowdown from the 2.6% in 2011 and 3.2% in 2010.

Non-conventional oil industry records strong GDP increase

In 2012, real GDP from Canada's oil and gas extraction sector rose by 3.3% in 2012, led by a 8.4% GDP increase in non-conventional oil extraction. Real GDP in the conventional oil and gas extraction industry grew by 0.8% for the year despite falling by 7.1% between December 2011 and August 2012.

Alberta Average Weekly Earnings



Source: Statistics Canada

Closing Prices	February 21, 2013	February 28, 2013	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	99.18	97.29	100.07
WTI Oil ($US/bbl)	$92.84	$92.05	$91.91
NYMEX Natural Gas ($US/MMBtu)	$3.25	$3.49	$3.00

Alberta Economic Indicators

Population	2011	2012YTD	2013YTD	Sep	Oct	Nov	Dec	Jan	Feb
Population[1] (000's)	3,778	3,874	--	--	3,907	--	--	--	--
y/y % change	1.5	2.5	--	--	2.9	--	--	--	--
Net Interprovincial Migration[1]	8,443	28,170	--	--	13,915	--	--	--	--
Net International Migration[1]	16,703	37,990	--	--	10,809	--	--	--	--
Net Non-permanent Residents[1]	-7,604	9,721	--	--	3,946	--	--	--	--
Labour Market									
Employment (000's), SA	2,094	2,150	2,175	2,156	2,162	2,170	2,165	2,175	--
y/y % change	3.8	2.7	1.9	1.8	1.8	1.9	1.5	1.9	--
Unemployment Rate (%), SA	5.5	4.6	4.5	4.4	4.5	4.2	4.5	4.5	--
Participation Rate (%), SA	73.7	73.4	72.9	73.1	73.1	73.0	72.9	72.9	--
NEW: Average Weekly Earnings ($), SA	1,038.69	1,073.09	--	1083.98	1095.42	1080.13	1093.58	--	--
y/y % change	4.6	3.3	--	3.9	4.0	2.9	4.2	--	--
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	-0.5	1.4	0.6	0.6	0.0	-0.5	--
Excluding food and energy	0.8	1.3	--	1.1	1.2	0.9	1.1	0.8	--
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	--	3.5	--	--	3.0	--	--
Farm Product Price Index (y/y % change)	18.0	5.2	--	2.3	--	--	--	--	--
Crops	19.3	1.9	--	1.7	--	--	--	--	--
Livestock	16.7	7.8	--	3.7	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	29.3	33.4	33.7	39.6	30.1	29.3	--
y/y % change	-5.1	29.9	12.1	34.2	-0.2	31.8	5.3	12.1	--
New Housing Price Index[3] (y/y % change)	0.4	1.3	--	1.8	1.6	1.7	1.9	--	--
Edmonton	0.9	0.9	--	1.3	0.8	0.8	1.0	--	--
Calgary	0.1	1.7	--	2.3	2.4	2.8	3.1	--	--
MLS Average Resale Prices ($ 000's)	352.7	362.0	363.0	360.1	369.5	370.7	372.2	363.0	--
y/y % change	0.5	2.6	5.3	0.2	3.9	4.2	5.2	5.3	--
Edmonton ($ 000's)	324.2	332.7	334.9	318.7	336.8	343	345.9	334.9	--
y/y % change	-0.7	2.6	0.8	4.4	2.0	5.3	4.4	0.8	--
Calgary ($ 000's)	401.9	410.8	414.9	413.4	421.4	419.3	436.0	414.9	--
y/y % change	1.1	2.2	10.4	0.9	3.5	3.1	8.3	10.4	--
Retail Sales, SA (y/y % change)	6.9	7.6	--	7.8	6.0	3.9	1.9	--	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	--	15.7	9.1	2.6	-0.7	--	--
Consumer Bankruptcies	7,029	5,413	--	421	489	420	--	--	--
y/y % change	-13.8	-17.3	--	-19.8	-5.0	-27.2	--	--	--
Business Sector									
NEW: Rigs Drilling	266	250	395	229	236	258	287	368	422
y/y % change	30.4	-12.6	-8.1	-33.7	29.6	-21.8	-16.6	-8.2	-8.1
Goods Exports, customs based (y/y % change)	18.5	2.4	--	-9.0	7.0	-3.2	-13.7	--	--
Energy	19.2	2.9	--	-8.9	9.4	-1.9	-17.6	--	--
Farm, Fishing and Intermediate Food	27.2	20.4	--	25.2	26.2	6.3	20.0	--	--
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0	--	8.8	--	--	--	--	--
Manufacturing Shipments, SA (y/y % change)	18.0	5.0	--	0.8	0.7	7.9	-9.0	--	--
Wholesale Trade, SA (y/y % change)	15.0	11.0	--	7.2	4.1	4.6	4.1	--	--
Building Permits, SA (y/y % change)	11.8	14.7	--	6.1	25.5	46.9	-4.6	--	--
Residential	5.2	17.7	--	9.4	15.2	24.4	2.4	--	--
Non-residential	20.9	11.0	--	1.4	42.2	81.8	-11.6	--	--
Business Bankruptcies	264	214	--	21.0	18.0	15.0	--	--	--
y/y % change	-30.2	-13.0	--	-8.7	-40.0	-21.1	--	--	--

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

[1]Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

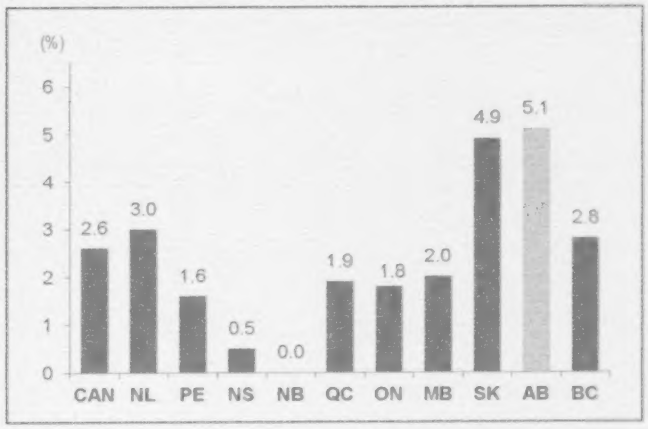
[2]Quarterly, average of Calgary and Edmonton.

[3]Average of Calgary and Edmonton.

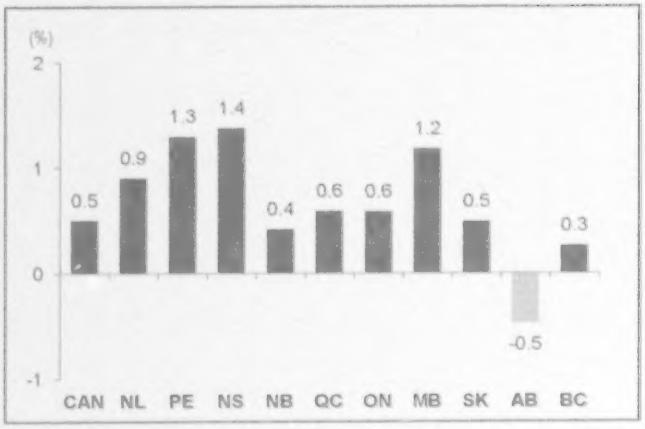
Sources All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

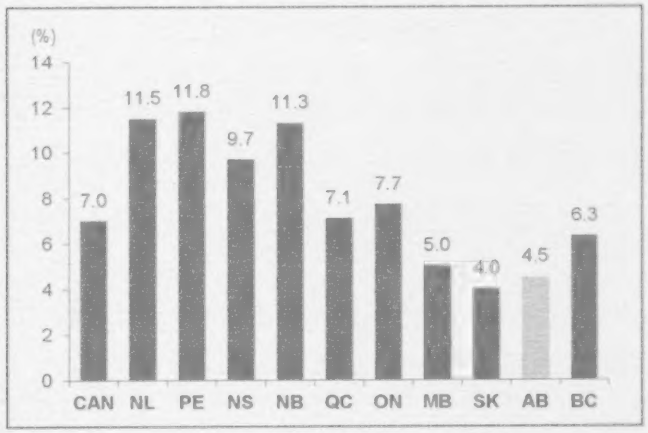
Real GDP Growth
(2011, year-over-year growth)



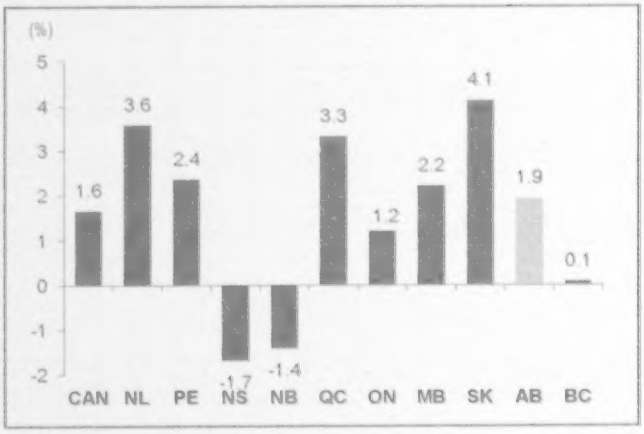
CPI Inflation
(January 2013, year-over-year growth in CPI)



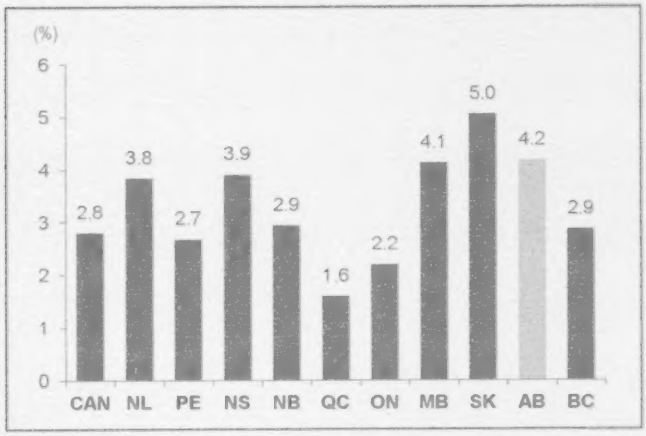
Unemployment Rate
(January 2013)



Employment
(January 2013, year-over-year growth)



Average Weekly Earnings
(December 2012, year-over-year growth)



Housing Starts
(January 2013, SAAR, year-over-year growth)